

24 May 1963

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MEMORANDUM FOR: Chief, [REDACTED]

SUBJECT : Housing Policy: Interpretations

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REFERENCE : Memo for [REDACTED], dtd 28 Feb 63, fr ( )  
Subj: Revised Housing Policy

1. On 28 February 1963 we submitted to you a memorandum which described several questions which had arisen as a result of the new housing policy. They were largely concerned with an interpretation of the regulation in terms of its long range application, and we believe the answers which were developed at that time are now generally understood. During the past few weeks, however, we have received a number of inquiries concerning the intent of the regulation in terms of its effective date and its application during the period of transition. The purpose of this memorandum is to describe the various situations and propose policy interpretations for your approval.

25X1A 2. As we noted in the referenced memorandum, the new policy was published in October 1962, but did not become effective until 1 January 1963. [REDACTED] states that housing arrangements in effect on 1 January 1963 would not be affected until the employee concerned is assigned to another post or changes his quarters during his assignment to the same post. This delay was intended to serve several general purposes. First, it would provide each Chief of Station with an opportunity to review the new policies, compare them with the policies of the cover organization, survey the local real estate markets, and obtain clarification of any questions pertinent to his station. Second, it would permit recently arrived employees to conclude housing arrangements which were in the process of negotiation but not reduced to a lease when the policy was announced. And, third, employees who had leased housing under prior authorities would be permitted to continue those arrangements without financial penalties.

3. Our basic objective in deferring the effective date was to provide advance notice to employees and assure that they would not be confronted with additional and unforeseen expenses because of a change in the Organization's housing policy. Employees already at

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a post would not have the rules changed in the midst of their tours, and new arrivals could seek quarters in accordance with procedures which had been announced with reasonable notice. For personnel already overseas, it was determined that the effective date of the new policy would be the date an employee was transferred from one post to another, the date his current lease expired, or the date on which he moved to new quarters at the same post for any other reason. This would mean that the new policy itself would not compel an employee to move, since it would not become effective until the date on which he would have been required to change his leasing arrangements for other reasons. It was recognized that during the transitional period there would be cases which would not fall neatly into any pattern and which would have to be resolved on an individual basis. These will probably be concentrated in the coming summer because (a) that is the next rotation period, and (b) most leases in effect prior to 1 January 1963 will have expired prior to 1964 rotation period. This memorandum is addressed to this type of transitional problem.

4. The situation which will arise most frequently will involve a QP lease which expires before the employee's tour has been completed. This will mean that the employee must either negotiate a renewal of his present lease or move to new quarters. It will also mean that he must thereafter comply with the new procedures and pay a portion of the costs if they exceed the standardized allowance. Whether this change results in additional costs to the employee will depend upon several factors, including the local rental market and the length of time which remains in his tour. If he is going to be at the station for a year or more, he is in a position to negotiate another full term lease and is in approximately the same relative position as a new arrival. He may, in fact, have a slight advantage as a result of being more familiar with the community and having more opportunity to look for housing. If he has less than a year remaining, he is confronted with the more difficult and more expensive problem of acquiring short-term housing.

5. There are several possible modifications of this problem. The employee may renew his lease on the same terms, he may renew it on re-negotiated terms, or he may drop the lease entirely and move to new quarters. Since the paragraph establishing the effective date [REDACTED] is not specific on these points, the proposed interpretations may be more easily derived from the substance of paragraph 2 and 3, above. We believe that it would not be inconsistent with these policy statements to authorize employees to continue their prior arrangements under the following circumstances:

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a. When the employee's current tour and his current lease were both in effect prior to 1 January 1963, and when the lease expires prior to the end of the tour, the employee may be authorized to continue in the same quarters and under the same arrangements, provided (1) there is no increase in cost to the Organization, and (2) his residence at the post will be terminated in less than one year from the expiration of the lease.

b. Under the circumstances cited in the preceding paragraph, the employee will be governed by the provisions of [REDACTED] if he moves to new quarters when his lease expires. However, if the employee is going to be at the post for less than one year, and if the application of the new policy would result in a financial hardship as a result of seeking short-term quarters, the Chief of Station may recommend that (1) the application of [REDACTED] be deferred, and (2) that the employee be authorized to lease temporary housing not to exceed the cost of his prior quarters.

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6. Another problem which will arise will concern the unilateral cancellation of a lease by a property owner, with the employee being forced to move before the expiration date. This recently occurred when a bankrupt owner sold his property and the occupant had to either move or become involved in a lawsuit. Closely akin to this would be those situations where property may become uninhabitable or pose a threat to the health and well-being of the occupant, so that he is compelled to move whether the lease is cancelled or not. Each such case will raise a question of the intent of the regulation if, at the time of the lease cancellation, the employee was housed in quarters which he had leased prior to 1 January 1963. To this situation we would propose the following policy interpretation.

a. In those instances where an employee, through no fault of his own, is compelled to vacate quarters which he occupied prior to 1 January 1963, and lease other quarters at the same post, the [REDACTED] will normally waive the regulations and approve the leasing of substitute housing provided that (1) there is no increase in cost to the Organization, (2) the employee has less than one year of residence remaining at the post, and (3) the employee pays the cost of the move.

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25X1A Inherent in the above is the right of the employee to convert to the provisions of [REDACTED] if he wishes.

25X1A 7. A different problem exists if the employee's tour ends before the lease expires, but he is (a) extended at the post or returns for another tour, and (b) occupies the same quarters under a lease which was in effect before 1 January 1963. We are not aware of a specific case of this sort, and they would probably be extremely rare, but it is possible that in 1962 an employee may have executed a lease which would run beyond the end of his first tour. In such cases the application of the new regulation could technically be deferred for two years or more for that individual, since [REDACTED] places no time limit on the expiration of "housing arrangements in effect on 1 January 1963." The new regulation was not based on such unusual situations, and it was generally intended that the new policies be placed into effect as soon as this could be accomplished without hardship to employees overseas before the effective date. Since such unusual cases will be very infrequent, and there is no assurance that they will arise at all, we would propose that they be resolved individually on the basis of the following interpretation.

a. If an employee is extended at his post or returns for another tour, and if he continues to occupy quarters leased before 1 January 1963, he would normally be authorized to continue in those quarters under the same arrangements until the lease expires. However, if the termination date of the lease is more than one year after the end of the first tour, the Chief of Station should apply the new procedures when the new tour begins. Exceptions would require Headquarters approval.

b. Under the circumstances cited above, an employee who is authorized to continue occupancy of the same quarters during an extension or a second tour, may not thereafter seek relief under paragraph 5 or 6, above, to carry him to the end of the second tour or the extension.

8. One additional problem concerns housing procedures as they are applied to military personnel. Under the law, military personnel may be provided with government furnished housing or they may be paid the established military housing allowance. They may not be administered under civilian regulations. In some instances this

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could result in military personnel having to pay more than civilians for their quarters. For example, a Colonel in [REDACTED] has a housing allowance of \$170.10 per month, (\$2,041.20 per year) whereas the civilian allowance for a GS-15 is \$3,700 per year. On the other hand, military personnel usually have substantial benefits (PX-commissary) not available to civilians. We believe the problem is not one of equating military and civilian entitlements, but of assuring that military personnel are not required to forego their normal entitlements as a result of their service with the Organization. We would therefore propose that the following be adopted as general policy in this area. 25X1A

a. When military personnel are detailed to the Organization, and the conditions of the service are within the environment of their parent organization, their housing will be administered in accordance with the policies and procedures of the parent service as is required by law.

b. When military personnel are detailed to the Organization, and their activities are outside the general environment of their parent services, or their relationship to the Organization is such that military procedures cannot be reasonably applied, [REDACTED] may authorize the Chief of Station to provide government quarters to the individual concerned without regard to civilian practice in the area. In such cases the Chief of Station shall assure that the quarters provided are appropriate to the grade of the individual concerned. 25X1A

9. [REDACTED] requires that periodic reports be submitted to Headquarters when Organization-provided quarters are authorized. These reports are described in [REDACTED] to which reference is made in [REDACTED]. By the end of 1963 they will reflect a year's experience with the new policies. In addition, the general rotation of personnel during the summer of 1963 will mean that some employees will be seeking quarters and sharing those costs in excess of the standardized allowances. A review of these personal leases, which are not fully underwritten by the Organization, should provide a balanced picture of the real estate market in the cities involved. Further, the increased emphasis on adherence to the practices of the cover organization will mean that the Stations and Bases will be more knowledgeable of the cover practices and the costs to other 25X1A 25X1A

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[REDACTED] These statistics and pertinent collateral information will be assembled at Headquarters shortly after the end of the year, and it should be possible to correlate and interpret this data before the end of the first quarter of 1964. At that time we should be able to generally evaluate the new procedures and propose adjustments if they are required.

/s/

The interpretations stated above are satisfactory in general, however, pending the development of more data from experience, consideration will be given to individual cases as appropriate.

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